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Performance report on the budget of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2002 to 30 June 2003

Report of the Secretary-General

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Summary

The present report contains the performance report on the budget of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 July 2002 to 30 June 2003.

The total expenditure for UNIKOM for the period from 1 July 2002 to 30 June 2003 has been linked to the mission's objective through a number of results-based frameworks, grouped by components, namely, military and support components.

Performance of financial resources

(Thousands of United States dollars. Budget year is from 1 July 2002 to 30 June 2003.)

			Variance	
Category	*Apportionment*	*Expenditure*	*Amount*	*Percentage*
Military and police personnel	20 463.9	17 526.8	2 937.1	14.4
Civilian personnel	15 736.8	15 847.1	(110.3)	(0.7)
Operational costs	14 372.5	9 104.9	5 267.6	36.7
Gross requirements	**50 573.2**	**42 478.8**	**8 094.4**	**16.0**
Staff assessment income	2 227.9	2 113.0	114.9	5.2
Net requirements	**48 345.3**	**40 365.8**	**7 979.5**	**16.5**
Voluntary contributions in kind (budgeted)	2 767.4	25.0	2 742.4	99.1
Total requirements	**53 340.6**	**42 503.8**	**10 836.8**	**20.3**

Human resources incumbency performance

Category	*Approved*[a]	*Actual (average)*	*Vacancy rate (percentage)*[b]
Military observers	195	132	32.1
Military contingents	904	600	33.6
International staff	67	61	9.0
National staff	168	164	2.1

[a] Represents the highest level of authorized strength.

[b] Based on monthly incumbency and approved monthly strength.

The actions to be taken by the General Assembly are set out in section V of the report.

I. Introduction

1. The budget for the maintenance of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period from 1 July 2002 to 30 June 2003 was set out in the report of the Secretary-General of 13 February 2002 (A/56/820) and amounted to US$ 53,340,600 gross ($51,112,700 net) inclusive of budgeted voluntary contributions in kind amounting to $2,767,400. It provided for 195 military observers, 904 military contingents, 67 international staff and 168 national staff. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 21 of its report dated 4 April 2002 (A/56/887/Add.5), recommended that the General Assembly appropriate $50,573,200 gross for the period from 1 July 2002 to 30 June 2003, including the amount of $32,230,200 net, representing two thirds of the cost, to be funded through voluntary contributions from the Government of Kuwait.

2. The General Assembly, by its resolution 56/297 of 27 June 2002, appropriated an amount of $50,573,200 gross ($48,345,300 net) for the maintenance of the Mission for the period from 1 July 2002 to 30 June 2003. Two thirds of the total amount was financed by voluntary contributions from the Government of Kuwait; the remaining one third of the amount has been assessed on Member States.

II. Mandate performance

3. The mandate of UNIKOM was established by the Security Council in its resolution 687 (1991) and was subsequently expanded by the Council in its resolution 806 (1993). The continuation of UNIKOM for the performance period was provided for by the letters from the President of the Security Council to the Secretary-General dated 4 April 2002 (S/2002/349), 3 October 2002 (S/2002/1109) and 3 April 2003 (S/2003/400).

4. UNIKOM was mandated to help the Security Council achieve an overall objective, namely, to maintain international peace and security.

5. During the period under review, conditions in the UNIKOM area of operations deteriorated so markedly, owing to political and military developments in the region, that the Secretary-General, decided for security reasons and because it could no longer fulfil its mandate, to suspend operations of UNIKOM on 17 March 2003.

6. Within its overall objective, the Mission has during the performance report period contributed to a number of accomplishments by delivering related key outputs, as shown in the frameworks set out below. The frameworks are grouped by components — military and support — which reflect, rather than determine, the common programmatic nature of the expected accomplishments and outputs contained in the components.

7. The frameworks represent a shift towards a results-based budgeting approach. The 2002/03 budget did not include standard frameworks for planned results, which would have been the baseline against which performance would be measured and reported. Therefore, the Mission mandate performance is presented in a transitional format showing the actual indicators of achievement and actual outputs during 2002/03 for which information was available. The expected accomplishments would lead to the fulfilment of the Security Council's objective within the time frame of

the mission and the actual indicators of achievement show a measurement of progress towards such accomplishments during the performance period. The actual outputs represent the contributions by the mission towards the expected accomplishments during the performance period.

Component 1: Military

Expected accomplishments	*Actual indicators of achievement*
1.1. Improved compliance with the demarcated international boundary between Kuwait and Iraq	1.1.1. 833 air violations in 2002/03 as compared to 637 in 2001/02
	1.1.2. 26 sea violations in 2002/03 as compared to 20 in 2001/02
	1.1.3. 31 ground violations in 2002/03 as compared to 19 in 2001/02
	1.1.4. 13 weapons violations in 2002/03 as compared to 9 in 2001/02

Actual outputs

- 1,201 air patrol flying hours
- 36,409 hours of ground patrol
- 1,596 hours of maritime patrol
- 24/7 surveillance through random observation from fixed platforms at patrol and observation bases and crossing sites

Comments

UNIKOM operations were suspended on 17 March 2003 due to political and military developments in the region.

Component 2: Support

Expected accomplishments	*Actual indicators of achievement*
2.1. Effective and efficient logistical and administrative support to the Mission	2.1.1[a] Generators functioning in full operational capacity
	2.1.2. 96.5% vehicles available for use as compared to 87.8% in 2002
	2.1.3. No air safety violations
	2.1.4. Reduction of vehicle accidents, 122 minor and 16 major in 2002 as compared to 28 minor and 7 major in 2003
	2.1.5. Further reduced civilian staff vacancy rate from 4.6% by June 2002 to 2.6% by March 2003

Actual outputs

Service improvements

- Trained 143 military contingent personnel on safe operation of vehicles
- Integrated warehouse project implemented

Military and police personnel

- 904 persons in 6 locations supplied with rations

Civilian personnel

- 21 staff recruited locally (16) and internationally (5)

Facilities and infrastructure

- 40,442,850 litres of water delivered to 27 locations
- 2,195,025 litres of fuel delivered to 38 locations
- 62 generators in 29 locations operated, maintained and repaired
- Landing sites and airfield facilities upgraded as per aviation safety recommendations

Ground transportation

- 3,230 maintenance and repair operations conducted on light vehicles in 3 locations
- 658 maintenance and repair operations conducted on heavy/special vehicles in 1 location

Communications

- VHF radios installed and programmed for 69 vehicles

Information technology

- Wide area network supported with 250 users; Internet cafes established at 7 locations
- IT support for ID teleprinters provided, including training and administrative support

Other supplies, services and equipment

- Trained all mission personnel on security and evacuation
- Trained 556 personnel on nuclear/biological/chemical threat, and protective equipment provided

Comments

Some of the above data are only applicable up to March 2003, when the Mission was evacuated.

The security situation implied unforeseen requirements and changes in overall planning and operations, including provision of support to humanitarian agencies working in Kuwait and Iraq.

III. Resource performance

A. Financial resources

(Thousands of United States dollars. Budget year is from 1 July 2002 to 30 June 2003.)

Category	Apportionment[a] (1)	Expenditure (2)	Variance Amount (3) = (1) - (2)	Variance Percentage (4) = (3) ÷ (1)
Military and police personnel				
Military observers	3 558.6	4 724.1	(1 165.5)	(32.8)
Military contingents	16 905.3	12 802.7	4 102.6	24.3
Civilian police	—	—	—	—
Formed police units	—	—	—	—
Subtotal	**20 463.9**	**17 526.8**	**2 937.1**	**14.4**
Civilian personnel				
International staff	8 092.1	8 663.2	(571.1)	(7.1)
National staff	7 644.7	7 183.9	460.8	6.0
United Nations Volunteers	—	—	—	—
Subtotal	**15 736.8**	**15 847.1**	**(110.3)**	**(0.7)**
Operational costs				
General temporary assistance	—	18.5	(18.5)	—
Government-provided personnel	—	—	—	—
Civilian electoral observers	—	—	—	—
Consultants	—	—	—	—
Official travel	122.2	202.8	(80.6)	(66.0)
Facilities and infrastructure	4 023.6	2 034.8	1 988.8	49.4
Ground transportation	4 547.0	1 615.9	2 931.1	64.5
Air transportation	3 150.0	3 058.0	92.0	2.9
Naval transportation	40.2	9.4	30.8	76.6
Communications	1 167.6	529.7	637.9	54.6
Information technology	669.8	563.9	105.9	15.8
Medical	39.0	31.8	7.2	18.5
Special equipment	47.2	8.9	38.3	81.1
Other supplies, services and equipment	565.9	1 031.2	(465.3)	(82.2)
Quick-impact projects	—	—	—	—
Subtotal	**14 372.5**	**9 104.9**	**5 267.6**	**36.7**
Gross requirements	**50 573.2**	**42 478.8**	**8 094.4**	**16.0**
Staff assessment income	2 227.9	2 113.0	114.9	5.2
Net requirements	**48 345.3**	**40 365.8**	**7 979.5**	**16.5**
Voluntary contributions in kind (budgeted)[b]	2 767.4	25.0	2 742.4	99.1
Total requirements	**53 340.6**	**42 503.8**	**10 836.8**	**20.3**

[a] Reflects adjusted distribution of approved resources between military and police personnel and operational costs categories of expenditure.

[b] Includes $25,000 from the Government of Kuwait.

B. Other income and adjustments

Category	*Amount (Thousands of United States dollars)*
Interest income	2 545
Other/miscellaneous income	946
Voluntary contributions in cash[a]	—
Prior period adjustments	(6)
Savings on, or cancellation, of prior period obligations	1 078
Total	**4 563**

[a] Excludes the voluntary contribution from the Government of Kuwait to meet two thirds of the cost of the Mission.

C. Contingent-owned equipment: major equipment and self-sustainment

Category	*Expenditure (Thousands of United States dollars)*
Major equipment	1 175.7
Self-sustainment	—
Total	**1 175.7**

Mission factors	*Percentage*	*Effective date*	*Last review date*
A. Applicable to Mission area			
Extreme environmental condition factor	0 90	17 November 1998	—
Intensified operational condition factor	0.80	17 November 1998	—
Hostile action/forced abandonment factor	0.60	17 November 1998	—
B. Applicable to home country			
Incremental transportation factor	0-4.75		

IV. Analysis of variances[1]

	Variance	
Military observers	($1 165.5)	(32.8%)

8. The additional requirements resulted mainly from the increase in mission subsistence allowance rates approved for the demilitarized zone from $40 to $77, and for Kuwait City/Kheitan from $40 to $61, effective 1 April 2002.

	Variance	
Military contingents	$4 102.6	24.3%

9. The unspent balance resulted from the early repatriation of the military contingents upon suspension of the Mission's operation on 17 March 2003.

	Variance	
International staff	($571.1)	(7.1%)

10. The additional requirements resulted mainly from the increase in mission subsistence allowance rates approved for the demilitarized zone from $40 to $77, and for Kuwait City/Kheitan from $40 to $61, effective 1 April 2002.

	Variance	
National staff	$460.8	6.0%

11. The unspent balance was mainly attributable to the appointment of national staff at lower grades than budgeted.

	Variance	
General temporary assistance	($18.5)	—

12. The expenditures were related to the cost of one driver to drive officials from Umm Qasr to Baghdad, as the mission's drivers recruited in Kuwait were not allowed to drive in Iraq.

	Variance	
Official travel	($80.6)	(66.0%)

13. Increased requirements were due to the travel of Headquarters staff to the mission area in connection with the development of a nuclear/biological/chemical protection plan and to review security and evacuation plans.

[1] Resource variance amounts are expressed in thousands of United States dollars.

	Variance	
Facilities and infrastructure	$1 988.8	49.4%

14. As a result of the suspension of the Mission's operation on 17 March 2003, unspent balances were reported under various items, including utilities, acquisition of facilities, alteration and renovation services, petrol, oil and lubricants, spare parts and supplies.

	Variance	
Ground transportation	$2 931.1	64.5%

15. Savings resulted from the transfer of vehicles from downsizing missions at no cost, as well as from the cancellation of planned purchases following the suspension of the Mission's operation.

	Variance	
Naval transportation	$30.8	76.6%

16. Savings on petrol, oil and lubricants resulted from the suspension of the Mission's operation.

	Variance	
Communications	$637.9	54.6%

17. Unspent balances resulted primarily from the cancellation of planned purchases of communications equipment and spare parts following the suspension of the Mission's operation.

	Variance	
Information technology	$105.9	15.8%

18. Reduced requirements were attributable to the cancellation of planned purchases of information technology equipment following the suspension of the Mission's operation.

	Variance	
Medical	$7.2	18.5%

19. Savings resulted from the donation of medical supplies by the Government of Kuwait.

	Variance	
Special equipment	$38.3	81.1%

20. Unspent balances resulted from the cancellation of planned purchases of night observation devices following the suspension of the mission's operation.

	Variance	
Other supplies, services and equipment	($465.3)	(82.2%)

21. Additional requirements were needed for the purchase of nuclear/biological/chemical equipment in view of the security situation on the ground.

V. Actions to be taken by the General Assembly

22. **The actions to be taken by the General Assembly in connection with the financing of UNIKOM are:**

(a) **To decide on the treatment of the unencumbered balance of $8,094,400 with respect to the period from 1 July 2002 to 30 June 2003;**

(b) **To decide on the treatment of other income/adjustments for the period ended 30 June 2003 amounting to $4,563,000 from interest income ($2,545,000), other/miscellaneous income ($946,000), savings on or cancellation of prior period obligations ($1,078,000) and prior period adjustments of $6,000.**